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A T T O R N E Y S

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LOUIS E. GITOMER
OF COUNSEL
(202) 466-6532

November 19, 2004

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D. C. 20423



RE: Docket No. AB-398 (Sub-No. 9X), *San Joaquin Valley Railroad Company—Discontinuance Exemption—in Kern County, CA (Between Levee and Taft)* 212620
Docket No. AB-170 (Sub-No. 1X), *Sunset Railway Company—Abandonment Exemption—in Kern County, CA (Between Levee and Taft)* 212621

Dear Secretary Williams:

Enclosed are the original and 10 copies of a Notice of Exemption for abandonment and discontinuance of service in the above-entitled proceedings and a check for the filing fee of \$3,000 for Docket No. AB-398 (Sub-No. 9X). The filing fee for Docket No. AB-170 (Sub-No. 1X) has been mailed and will be filed with the Board upon receipt. Also enclosed are three computer diskettes of the notice, environmental report and historic report.

Please time and date stamp the additional copy of this letter and the notice and return them with our messenger. Thank you for your assistance.

If you have any questions, call or email me.

ENTERED
Office of Proceedings

NOV 24 2004

Part of
Public Record

Enclosures

Sincerely yours,

Louis E. Gitomer
Attorney for San Joaquin Valley Railroad
Company

FEE RECEIVED

NOV 24 2004

SURFACE
TRANSPORTATION BOARD

FILED

NOV 24 2004

SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

Docket No. AB-398 (Sub-No. 9X)

SAN JOAQUIN VALLEY RAILROAD COMPANY—DISCONTINUANCE EXEMPTION—
IN KERN COUNTY, CA (BETWEEN LEVEE AND TAFT)

Docket No. AB-170 (Sub-No. 1X)

SUNSET RAILWAY COMPANY—ABANDONMENT EXEMPTION—IN KERN COUNTY,
CA (BETWEEN LEVEE AND TAFT)

NOTICE OF EXEMPTION

Mack H. Shumate, Jr.
Senior General Attorney
Union Pacific Railroad Company
101 North Wacker Drive
Room 1920
Chicago, IL 60606
(312) 777-2055

Gary A. Laakso, Esq.
Vice President Regulatory Counsel
RailAmerica, Inc.
5300 Broken Sound Boulevard N.W.
Second Floor
Boca Raton, FL 33487
(561) 994-6015

Louis E. Gitomer, Esq.
Of Counsel
BALL JANIK LLP
1455 F Street, N.W., Suite 225
Washington, D.C. 20005
(202) 638-3307

Attorney for: SUNSET RAILWAY COMPANY

Attorneys for: SAN JOAQUIN VALLEY
RAILROAD COMPANY

Dated: November 19, 2004



BEFORE THE
SURFACE TRANSPORTATION BOARD

Docket No. AB-398 (Sub-No. 9X)

SAN JOAQUIN VALLEY RAILROAD COMPANY—DISCONTINUANCE EXEMPTION—
IN KERN COUNTY, CA (BETWEEN LEVEE AND TAFT)

Docket No. AB-170 (Sub-No. 1X)

SUNSET RAILWAY COMPANY—ABANDONMENT EXEMPTION—IN KERN COUNTY,
CA (BETWEEN LEVEE AND TAFT)

NOTICE OF EXEMPTION

The Sunset Railway Company (“SRY”) and the San Joaquin Valley Railroad Company (“SJVR”) file this Verified Notice of Exemption pursuant to the class exemption at 49 C.F.R. § 1152.50 for SRY to abandon and for SJVR to discontinue service over the 18-mile rail line known as the Sunset Subdivision between Levee, milepost 18.3, and Taft, milepost 36.3, in Kern County, CA (the “Line”).

1. Proposed consummation date. The proposed consummation date is January __, 2005.
2. Certification required by 49 C.F.R. § 1152.50(b). *See* Exhibit A.
3. Information required by 49 C.F.R. § 1152.22(a)(1) through (4), (7), and (8), and (e)(4).

(a) General.

(1) Exact name of applicants. Sunset Railway Company and the San Joaquin Valley Railroad Company.

(2) Whether applicants are common carriers by railroad subject to 49 U.S.C.

Subtitle IV, Chapter 105. SRY and SJVR are common carriers by railroad subject to 49 U.S.C.

Subtitle IV, Chapter 105.

(3) Relief sought. SRY seeks to use the class exemption at 49 C.F.R. § 1152.50 to abandon and SJVR seeks to use the class exemption at 49 C.F.R. § 1152.50 to discontinue service over the 18-mile rail line known as the Sunset Subdivision between Levee, milepost 18.3, and Taft, milepost 36.3, in Kern County, CA. There has been no local or overhead traffic on the Line in over two years.

(4) Map. *See* Exhibit B.

(7) Name, title, and address of representative of applicant to whom correspondence should be sent: to SRY, Mack H. Shumate, Jr., Senior General Attorney, Union Pacific Railroad Company, 101 North Wacker Drive, Room 1920, (312) 777-2055; and to SJVR, Gary A. Laakso, Esq., Vice President Regulatory Counsel, RailAmerica, Inc., 5300 Broken Sound Boulevard N.W., Second Floor, Boca Raton, FL 33487, (561) 994-6015, and Louis E. Gitomer, Ball Janik LLP, 1455 F St., N.W., Suite 225, Washington, DC 20005, (202) 638-3307.

(8) List of all United States Postal Service ZIP Codes that the line proposed for abandonment traverses. The Line traverses ZIP Code 93268.

(e) Rural and community impact.

(4) Statement of whether the properties proposed to be abandoned are appropriate for use for other public purposes, including roads and highways, other forms of mass transportation, conservation, energy production or transmission, or recreation. If the applicant is aware of any restriction on the title to the property, including any reversionary interest, which

would affect the transfer of title or the use of property for other than rail purposes, this shall be disclosed.

The Line traverses a predominately rural area that has an adequate road and highway network. Therefore, there is little or no likelihood that the rail corridor is needed for a transit or highway corridor. SRY and SJVR are unaware of any restrictions on the title to the property.

4. The level of labor protection. The interests of railroad employees who may be adversely affected by the proposed abandonment and discontinuance of service will be adequately protected by the labor protective conditions in Oregon Short Line R. Co. -- Abandonment -- Goshen, 360 I.C.C. 91 (1979).

5. Certification. Certificates of compliance with the notice requirements of 49 C.F.R. §§ 1152.50(d)(1) and 1105.11 are attached as Exhibit C.

6. Environmental Report. *See* Exhibit D. Based on information in SRY's possession, the line does not contain federally granted rights-of-way. Any documentation in the railroad's possession will be made available promptly to those requesting it.

**VERIFICATION AND CERTIFICATION THAT RAIL LINE MEETS
CRITERIA OF 49 C.F.R. SECTION 1152.50(b)**

Kendall Koff

this 17th day of November 2004.

Justin S. Sulej
Notary Public

PERSONALLY KNOWN:
PRODUCED I.D.:

EXHIBIT B

MAP

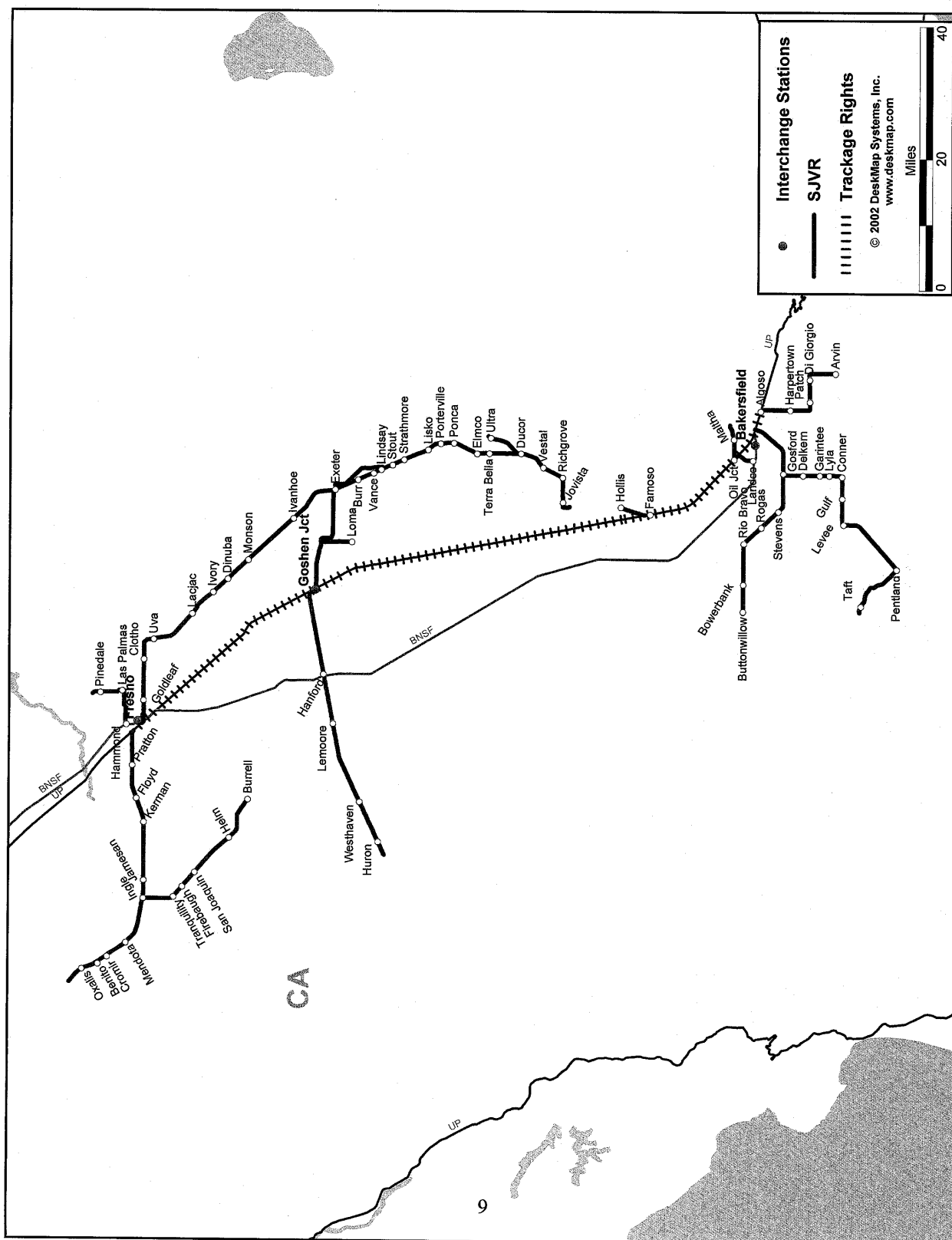


EXHIBIT C

CERTIFICATE OF SERVICE

Pursuant to 49 C.F.R. § 1152.50 (d) (1), the undersigned hereby certifies that notice of the proposed abandonment in Docket No. AB-170 (Sub-No. 1X) and discontinuance of service in Docket No. 398 (Sub-No. 9X) was mailed via first class mail on November 19, 2004, to the following parties:

State Public Service Commission

California Public Utility Commission
505 Van Ness Ave.
San Francisco, CA 94102-3298

Military Traffic Management Command

MTMCTEA
ATTN: Railroads for National Defense
720 Thimble Shoals Blvd.
Suite 130
Newport News, VA 23606-2574

National Park Service

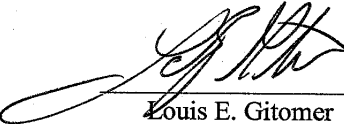
Mr. Tom Ross
Chief of National Recreation and Trails
U.S. Department of Interior - National Park Service
Recreation Resources Assistance Division
P.O. Box 37127
Washington, DC 20013-7127

National Park Service

U.S. Department of Interior
National Park Service
Land Resources Division
800 North Capitol St., N.E.
Room 540
Washington, DC 20002

CERTIFICATE OF PUBLICATION

The undersigned hereby certifies that notice of the proposed abandonment in Docket No. AB-170 (Sub-No. 1X) and discontinuance of service in Docket No. 398 (Sub-No. 9X) was advertised on November 10, 2004 in the Kern Valley Sun, a newspapers of general circulation in Kern, County, CA, as required by 49 C.F.R. § 1105.12.



Louis E. Gitomer
November 19, 2004

Proof of Publication

(2015.5 C.C.P.)
(General Form)

STATE OF CALIFORNIA, }
County of Kern } SS.

I, the undersigned, am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the chief clerk (publisher) of the KERN VALLEY SUN, a newspaper of general circulation, printed and published weekly, in the City of Lake Isabella, County of Kern, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Kern; that the notice, of which the annexed is a printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

November 10,

All in the year 20 04.

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Pauline Davis
Signature

Date: 10, November, 20 04

KERN VALLEY SUN

6404 Lake Isabella Blvd. • P.O. Box 3074
Lake Isabella, CA 93240
760/379-3667

NOTICE FOR RAILROAD ABANDONMENT
Sunset Railway Company ("Sunset") and San Joaquin Valley Railroad Company ("SVR") give notice that on or about November 19, 2004, they intend to file with the Surface Transportation Board, Washington, DC 20423, a notice of exemption under 49 CFR 1152 Subpart B-Exempt Abandonments permitting Sunset to abandon and SVR to discontinue service over an 18-mile rail line known as the Sunset Subdivision between Lovett, milepost 18.3, and Hart, milepost 36.3, in Kern County, CA, which traverses through United States Postal Service ZIP Code 93268. These proceedings will be docketed as Nos. AB-170 (Sub-No. IX) and AB-398 (Sub-No. 9X).
The Board's Section of Environmental Analysis will generally prepare an Environmental Assessment (EA), which will normally be available 25 days after the filing of the notice of exemption. Comments on environmental and energy matters should be filed no later than 15 days after the EA becomes available to the public and will be addressed in a Board decision. Interested persons may obtain a copy of the EA or make inquiries regarding environmental matters by writing to the Section of Environmental Analysis, Surface Transportation Board, Washington, DC 20423 or by calling that office at 202-565-1545. Appropriate offers of financial assistance to continue rail service can be filed with the Board. Requests for environmental conditions, public use conditions, or rail banking/trails use also can be filed with the Board. An original and 10 copies of any pleading that raises matters other than environmental issues (such as trails use, public use, and offers of financial assistance) must be filed directly with the Board's Office of the Secretary, 1925 K Street, N.W., Washington, DC 20423 [See 49 CFR 1104.1(a) and 1104.3(a)]. DC 20423 [See 49 CFR 1104.12(a)]. Questions regarding and one copy must be served on applicants' representative [See 49 CFR 1104.12(a)]. Questions regarding offers of financial assistance, public use or trails use may be directed to the Board's Office of Congressional and Public Services at 202-565-1592. Copies of any comments or requests for conditions should be served on the applicants' representatives. For Sunset, Mack Shumate, Jr., 101 N. Wacker Drive, Room 1920, Chicago, IL 60606-1718, and for SVR, Louis E. Glomer, Ball Tank LLP, 1455 F St., N.W., Suite 225, Washington, DC 20005, (202) 638-3207.
(Pub SUN November 10, 2004)

ue rail service can be filed with the Board. Requests for environmental conditions, public use conditions, or rail banking/trails use also can be filed with the Board. An original and 10 copies of any pleading that raises matters other than environmental issues (such as trails use, public use, and offers of financial assistance) must be filed directly with the Board's Office of the Secretary, 1925 K Street, N.W., Washington, DC 20423 [See 49 CFR 1104.1(a) and 1104.3(a)]. DC 20423 [See 49 CFR 1104.12(a)]. Questions regarding and one copy must be served on applicants' representative [See 49 CFR 1104.12(a)]. Questions regarding offers of financial assistance, public use or trails use may be directed to the Board's Office of Congressional and Public Services at 202-565-1592. Copies of any comments or requests for conditions should be served on the applicants' representatives. For Sunset, Mack Shumate, Jr., 101 N. Wacker Drive, Room 1920, Chicago, IL 60606-1718, and for SVR, Louis E. Glomer, Ball Tank LLP, 1455 F St., N.W., Suite 225, Washington, DC 20005, (202) 638-3207.
(Pub SUN November 10, 2004)

EXHIBIT D

**ENVIRONMENTAL REPORT
CERTIFICATE OF SERVICE**

Pursuant to the requirements of 49 C.F.R. § 1105.7, the undersigned hereby certifies that a copy of the Environmental Report in in Docket No. AB-170 (Sub-No. 1X) and in Docket No. 398 (Sub-No. 9X) was mailed via first class mail on October 26 and November 19, 2004, to the following parties:

California State Clearinghouse
Chief Projects Analyst
Office of Planning and Research
P.O. Box 3044
Sacramento, CA 95812

California Environmental Protection Agency
P.O. Box 2815
Sacramento, CA 95812

California Coastal Commission
45 Fremont Street, Suite 2000
Sacramento, CA 94105-2219

Board of Supervisors
Kern County
1115 Truxtun Avenue, 5th Floor
Bakersfield, CA 93301

US Army Corps of Engineers
Sacramento District
1325 J Street
Sacramento, CA 95814

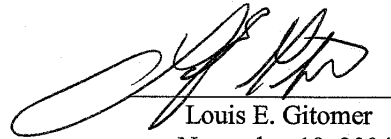
US Environmental Protection Agency
Region 9
75 Hawthorne Street
San Francisco, CA 94105

US Fish and Wildlife Service
Eastside Federal Complex
911 NE 11th Avenue
Portland, OR 97232-4181

National Oceanic and Atmospheric Administration
NOAA N/NGS12
National Geodetic Survey
SSMC-3 #9202
1315 East West Highway
Silver Spring, MD 20910-3282

US National Park Service
Pacific West Region
One Jackson Center
1111 Jackson Street, Suite 700
Oakland, CA 94607

US Department of Agriculture
National Resource Conservation Service
430 G #4164
Davis, CA 95616-4164



Louis E. Gitomer
November 19, 2004

SJVR became a rail carrier in 1992 upon consummating a lease from SP and its subsidiaries for the operation of seven rail lines and assuming trackage rights over a number of other rail lines owned exclusively by SP, and/or its subsidiaries, or jointly by SP and SFe covering a total of 354.70 miles of rail line in Fresno, Kern, and Kings Counties, CA. *San Joaquin Valley Railroad Co.--Lease and Operation Exemption--Southern Pacific Transportation Company and Visalia Electric Railroad Company*, ICC Finance Docket No. 31993 (ICC served Jan. 23, 1992) (*San Joaquin I*). Subsequently, SJVR purchased 206.77 miles of track and rail assets and leased the underlying right-of-way, for the seven rail lines that it had previously leased in *San Joaquin I*. *San Joaquin Valley Railroad Co.--Acquisition and Lease Exemption--Southern Pacific Transportation Company*, ICC Finance Docket No. 31993 (Sub-No. 1) (ICC served Oct. 4, 1993) (*San Joaquin II*). SJVR acquired the right to lease and operate the Line in 1997 from SRY. *San Joaquin Valley Railroad Company--Acquisition and Operation Exemption--Sunset Railway Company*, STB Finance Docket No. 33404 (STB served June 18, 1997, and corrected June 27, 1997).

The only alternative to abandonment and discontinuance of service would be to continue to operate the Line. SJVR has never operated the Line and on that basis believes that there is not a sufficient volume of traffic available on the Line to justify the costs of maintaining and operating the Line. Making a capital investment in the Line would not be a prudent use of carrier resources.

A map of the proposed abandonment and discontinuance of service is attached hereto as Exhibit 1.

(2) Transportation System. Describe the effects of the proposed action on regional or local transportation systems and patterns. Estimate the amount of traffic (passenger or freight) that will be diverted to other transportation systems or modes as a result of the proposed action.

There has been no passenger service over the Line in decades, so no passenger will be diverted to other modes as a result of the proposed abandonment and discontinuance of service.

There has been no freight service on the Line since 1997. Since there has been no traffic on the Line in over seven years, SJVR does not expect any traffic to be diverted to truck.

(3) Land Use. (i) Based on consultation with local and/or regional planning agencies and/or a review of the official planning documents prepared by such agencies, state whether the proposed action is consistent with existing land use plans. Describe any inconsistencies. (ii) Based on consultation with the U.S. Soil Conservation Service, state the effect of the proposed action on any prime agricultural land. (iii) If the action affects land or water uses within a designated coastal zone, include the coastal zone information required by 1105.9. (iv) If the proposed action is an abandonment, state whether or not the right-of-way is suitable for alternative public use under 49 U.S.C. § 10905 and explain why.

(i) SRY and SJVR consider the proposed abandonment and discontinuance of service to be consistent with existing land use plans. The land adjoining the Line is mainly rural in character. SRY and SJVR contacted Kern County, CA by letter dated October 26, 2004. See Exhibit 2. No response has been received as of this date. A copy of this Environmental Report has been mailed to the appropriate local and state agencies for their information and further comment.

(ii) SRY and SJVR notified the United States Department of Agriculture ("USDA") Natural Resources Conservation Service (the agency succeeding to the responsibilities of the Soil Conservation Service) of the proposed abandonment and discontinuance of service by letter dated October 26, 2004, and requested assistance in identifying any potential effects on prime

agricultural land. See Exhibit 2. No response has been received to date. A copy of this report is being supplied to the USDA for its information and further comment.

(iii) The Line does not pass through a designated coastal zone.

(iv) The real estate underlying the Line is owned by SRY. SRY and SJVR do not believe that the right-of-way is suitable for public use. There is little or no likelihood that the rail corridor is needed for a transit or highway corridor. The right-of-way could be used for a recreational trail.

(4) Energy. (i) Describe the effect of the proposed action on transportation of energy resources. (ii) Describe the effect of the proposed action on recyclable commodities. (iii) State whether the proposed action will result in an increase or decrease in overall energy efficiency and explain why. (iv) If the proposed action will cause diversions from rail to motor carriage of more than: (A) 1,000 rail carloads a year; or (B) an average of 50 rail carloads per mile per year for any part of the affected line, quantify the resulting net change in energy consumption and show the data and methodology used to arrive at the figure given.

(i) The proposed abandonment and discontinuance of service will have no effect on the transportation of energy resources.

(ii) The proposed abandonment and discontinuance of service will have no effect on the transportation of recyclable commodities.

(iii) The proposed abandonment and discontinuance of service will have minimal effect on overall energy efficiency.

(iv) The proposed abandonment and discontinuance of service will not cause the diversion more than 1,000 rail carloads a year; or an average of 50 rail carloads per mile per year for any part of the Line of rail traffic to motor carriage.

(5) Air. (i) If the proposed action will result in either: (A) An increase in rail traffic of at least 100 percent (measured in gross ton miles annually) or an increase of at least eight trains a day on any segment of rail line affected by the proposal, or (B) an increase in rail yard activity of at least 100 percent (measured by carload activity), or (C) an average increase in truck traffic of

more than 10 percent of the average daily traffic or 50 vehicles a day on any affected road segment, quantify the anticipated effect on air emissions. For a proposal under 49 U.S.C. § 10901 (or § 10505) to construct a new line or reinstitute service over a previously abandoned line, only the eight train a day provision in sub-section (5)(i)(A) will apply. (ii) If the proposed action affects a class I or nonattainment area under the Clean Air Act, and will result in either: (A) an increase in rail traffic of at least 50 percent (measured in gross ton miles annually) or an increase of at least three trains a day on any segment of rail line; (B) an increase in rail yard activity of at least 20 percent (measured by carload activity); or (C) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on a given road segment, then state whether any expected increased emissions are within the parameters established by the State Implementation Plan. However, for a rail construction under 49 U.S.C. § 10901 (or 49 U.S.C. § 10505), or a case involving the reinstitution of service over a previously abandoned line, only the three train a day threshold in this item shall apply. (iii) If transportation of ozone depleting materials (such as nitrogen oxide and freon) is contemplated, identify: the materials and quantity; the frequency of service; safety practices (including any speed restrictions); the applicant's safety record (to the extent available) on derailments, accidents and spills; contingency plans to deal with accidental spills; and the likelihood of an accidental release of ozone depleting materials in the event of a collision or derailment.

(i) The proposed abandonment and discontinuance of service will not result in meeting or exceeding the specified thresholds.

(ii) The proposed abandonment and discontinuance of service will not result in meeting or exceeding the specified thresholds.

(iii) The proposed abandonment and discontinuance of service will not affect the transportation of ozone depleting materials.

(6) Noise. If any of the thresholds identified in item (5)(i) of this section are surpassed, state whether the proposed action will cause: (i) an incremental increase in noise levels of three decibels Ldn or more; or (ii) an increase to a noise level of 65 decibels Ldn or greater. If so, identify sensitive receptors (e.g., schools, libraries, hospitals, residences, retirement communities, and nursing homes) in the project area, and quantify the noise increase for these receptors if the thresholds are surpassed.

Not applicable.

(7) Safety. (i) Describe any effects of the proposed action on public health and safety (including vehicle delay time at railroad grade crossings). (ii) If hazardous materials are expected to be transported, identify: the materials and quantity; the frequency of service; whether chemicals are being transported that, if mixed, could react to form more hazardous compounds;

safety practices (including any speed restrictions); the applicant's safety record (to the extent available) on derailments, accidents and hazardous spills; the contingency plans to deal with accidental spills; and the likelihood of an accidental release of hazardous materials. (iii) If there are any known hazardous waste sites or sites where there have been known hazardous materials spills on the right-of-way, identify the location of those sites and the types of hazardous materials involved.

(i) The proposed abandonment and discontinuance of service will have no detrimental effects on public health and safety.

(ii) The proposed abandonment and discontinuance of service will not affect the transportation of hazardous materials.

(iii) SRY and SJVR are not aware of any known hazardous material waste sites or sites where known hazardous material spills have occurred on or along the rail corridor of the Line.

(8) Biological Resources. (i) Based on consultation with the U.S. Fish and Wildlife Service, state whether the proposed action is likely to adversely affect endangered or threatened species or areas designated as a critical habitat, and if so, describe the effects. (ii) State whether wildlife sanctuaries or refuges, National or State parks or forests will be affected, and describe any effects.

(i) SRY and SJVR do not believe that the proposed action is likely to adversely affect endangered or threatened species or areas designated as a critical habitat. SRY and SJVR notified the U.S. Fish and Wildlife Service of the proposed abandonment by letter dated October 26, 2004, and requested assistance in determining whether the proposed abandonment and discontinuance of service will adversely affect endangered or threatened species or areas designated as a critical habitat. *See Exhibit 2.* A copy of this Report has been supplied to the U.S. Fish and Wildlife Service for its information and further comment.

(ii) SRY and SJVR believe that there are no wildlife sanctuaries or refuges, National or State parks or forests that will be affected by the proposed abandonment and discontinuance of

service. SRY and SJVR notified the National Parks Service of the proposed abandonment and discontinuance of service by letter dated October 26, 2004, and requested assistance in identifying any potential effects on wildlife sanctuaries or refuges, National or State parks or forests. *See* Exhibit 2. To date, no response to this request has been received. A copy of this Report is being supplied to the National Park Service for its information and comment.

(9) Water. (i) Based on consultation with State water quality officials, state whether the proposed action is consistent with applicable Federal, State or local water quality standards. Describe any inconsistencies. (ii) Based on consultation with the U.S. Army Corps of Engineers, state whether permits under section 404 of the Clean Water Act (33 U.S.C. § 1344) are required for the proposed action and whether any designated wetlands or 100-year flood plains will be affected. Describe the effects. (iii) State whether permits under section 402 of the Clean Water Act (33 U.S.C. § 1342) are required for the proposed action.

(i) SRY and SJVR are confident that the proposed abandonment and discontinuance of service will be consistent with applicable water quality standards. SRY and SJVR contacted the California Environmental Protection Agency (“CAEPA”) and the United States Environmental Protection Agency (“USEPA”) by letters dated October 26, 2004. *See* Exhibit 2. To date, no response to this request has been received. A copy of this Report has been supplied to the CAEPA and USEPA for their information and comment.

(ii) SRY and SJVR believe that no permits under section 404 of the Clean Water Act are required for the proposed abandonment and discontinuance of service and that no designated wetlands or 100-year flood plains will be affected by the proposed abandonment and discontinuance of service. SRY and SJVR contacted the U.S. Army Corps of Engineers by letter dated October 26, 2004 and have received no response to date. *See* Exhibit 2. A copy of this Report has been supplied to the U.S. Army Corps of Engineers for its information and comment.

(iii) SRY and SJVR believe that no permit under section 402 of the Clean Water Act would be required for the abandonment and discontinuance of service. SRY and SJVR contacted the CAEPA and the USEPA by letter dated October 26, 2004. *See* Exhibit 2. A copy of this Report has been supplied to the CAEPA and USEPA for their information and further comment.

(10) Proposed Mitigation. Describe any actions that are proposed to mitigate adverse environmental impacts, indicating why the proposed mitigation is appropriate.

SRY and SJVR do not expect any adverse environmental impact from the proposed abandonment and discontinuance of service and, therefore, sees no need for any mitigating actions. SRY and SJVR will, of course, adhere to any remedial actions suggested by the recipients of this Report, which are required by the Board.

EXHIBIT 1--MAP

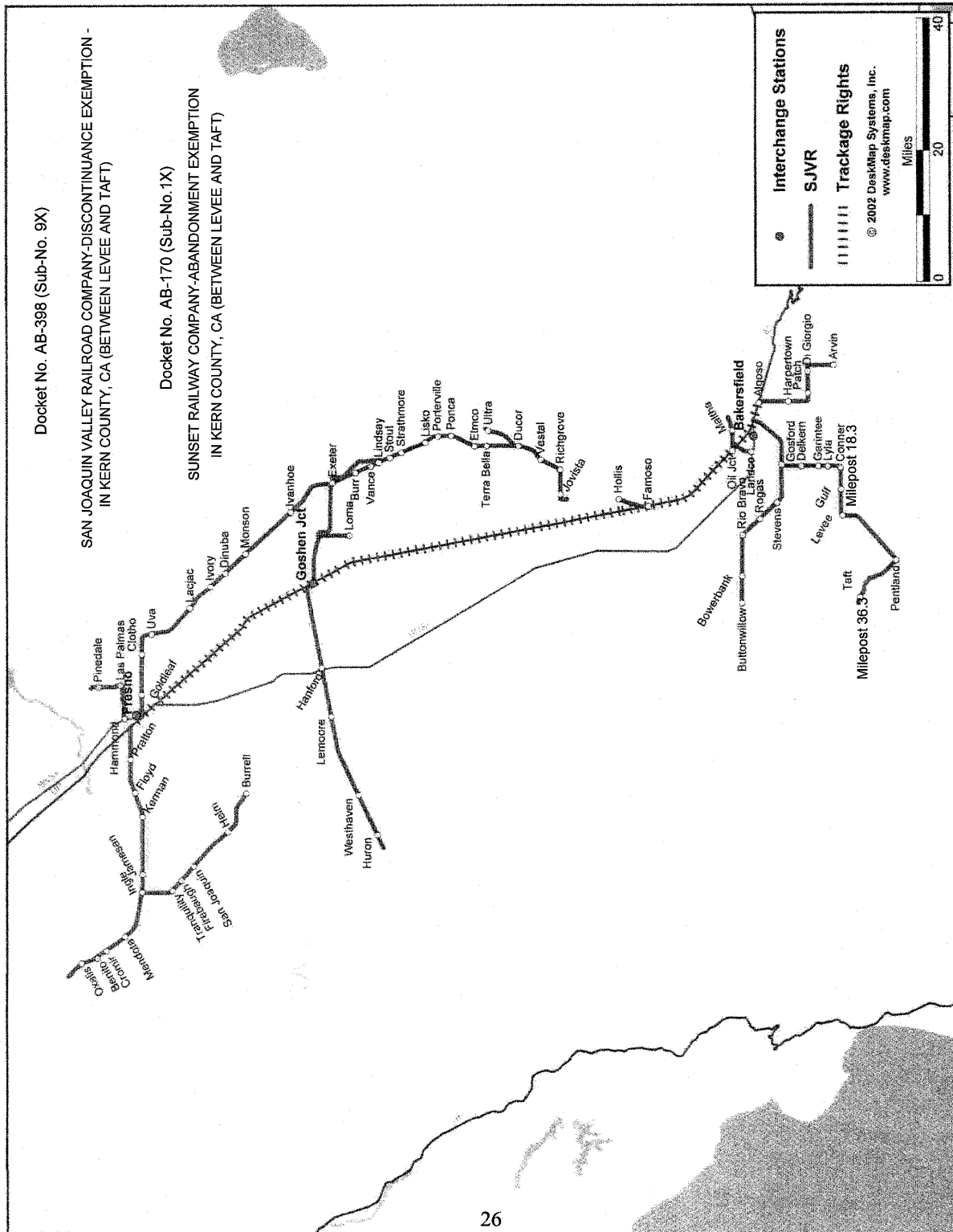


EXHIBIT 2—CONSULTATION LETTERS



RailAmerica, Inc.

October 26, 2004

US Department of Agriculture
National Resource Conservation Service
430 G #4164
Davis, CA 95616-4164

San Joaquin Valley Railroad
221 North F Street
PO Box 937
Exeter, CA 93221
Tel: 559.592.1857
Fax: 559.592-1859

RE: Docket No. AB-398 (Sub-No. 9X), *San Joaquin Valley Railroad Company—Discontinuance Exemption—in Kern County, CA (Between Levee and Taft)*
Docket No. AB-170 (Sub-No. 1X), *Sunset Railway Company—Abandonment Exemption—in Kern County, CA (Between Levee and Taft)*

Dear Madam/Sir:

On or about November 19, 2004, we expect to be filing with the Surface Transportation Board ("STB") a notice of exemption seeking authority for San Joaquin Valley Railroad Company to discontinue service over and Sunset Railway Company to abandon an 18-mile rail line known as the Sunset Subdivision between Levee, milepost 18.3, and Taft, milepost 36.3, in Kern County, CA.

Attached is an Environmental Report describing the proposed action and any expected environmental effects, as well as a map of the affected area. We are providing this report so that you may review the information that will form the basis for the STB's independent environmental analysis of this proceeding. If any of the information is misleading or incorrect, if you believe that pertinent information is missing, or if you have any questions about the STB's environmental review process, please contact the Section of Environmental Analysis (SEA), Surface Transportation Board, 1925 K Street, NW, Washington, DC 20423, telephone 202-565-1538 and refer to the above Docket No. AB-398 (Sub-No. 9X) and Docket No. AB-170 (Sub-No. 1X).

Because the applicable statutes and regulations impose stringent deadlines for processing this action, your written comments to SEA (with a copy to our representative) would be appreciated within 3 weeks. Your comments will be considered by the STB in evaluating the environmental impacts of the contemplated action. If there are any questions concerning this proposal, please contact our representative directly. Our representative in this matter is Louis E. Gitomer who may be contacted by telephone at 202-638-3307, email at lgitomer@dc.bjllp.com, or mail at Ball Janik LLP, 1455 F Street, N.W., Suite 225, Washington, DC 20005.

Sincerely yours,

Louis E. Gitomer
Attorney for San Joaquin Valley Railroad Company

Enclosure





RailAmerica, Inc.

October 26, 2004

US National Park Service
Pacific West Region
One Jackson Center
1111 Jackson Street, Suite 700
Oakland, CA 94607

San Joaquin Valley Railroad
221 North F Street
PO Box 937
Exeter, CA 93221
Tel: 559.592.1857
Fax: 559.592-1859

RE: Docket No. AB-398 (Sub-No. 9X), *San Joaquin Valley Railroad Company—Discontinuance Exemption—in Kern County, CA (Between Levee and Taft)*
Docket No. AB-170 (Sub-No. 1X), *Sunset Railway Company—Abandonment Exemption—in Kern County, CA (Between Levee and Taft)*

Dear Madam/Sir:

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Because the applicable statutes and regulations impose stringent deadlines for processing this action, your written comments to SEA (with a copy to our representative) would be appreciated within 3 weeks. Your comments will be considered by the STB in evaluating the environmental impacts of the contemplated action. If there are any questions concerning this proposal, please contact our representative directly. Our representative in this matter is Louis E. Gitomer who may be contacted by telephone at 202-638-3307, email at lgitomer@dc.bjllp.com, or mail at Ball Janik LLP, 1455 F Street, N.W., Suite 225, Washington, DC 20005.

Sincerely yours,

Louis E. Gitomer
Attorney for San Joaquin Valley Railroad Company

Enclosure





RailAmerica, Inc.

October 26, 2004

National Oceanic and Atmospheric Administration
NOAA NNGS12
National Geodetic Survey
SSMC-3 #9202
1315 East West Highway
Silver Spring, MD 20910-3282

San Joaquin Valley Railroad
221 North F Street
PO Box 937
Exeter, CA 93221
Tel: 559.592.1857
Fax: 559.592-1859

RE: Docket No. AB-398 (Sub-No. 9X), *San Joaquin Valley Railroad Company—Discontinuance Exemption—in Kern County, CA (Between Levee and Taft)*
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Sincerely yours,

Louis E. Gitomer
Attorney for San Joaquin Valley Railroad Company





RailAmerica, Inc.

October 26, 2004

US Fish and Wildlife Service
Eastside Federal Complex
911 NE 11th Avenue
Portland, OR 97232-4181

San Joaquin Valley Railroad
221 North F Street
PO Box 937
Exeter, CA 93221
Tel: 559.592.1857
Fax: 559.592-1859

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Louis E. Gitomer
Attorney for San Joaquin Valley Railroad Company

Enclosure





RailAmerica, Inc.

October 26, 2004

US Environmental Protection Agency
Region 9
75 Hawthorne Street
San Francisco, CA 94105

San Joaquin Valley Railroad
221 North F Street
PO Box 937
Exeter, CA 93221
Tel: 559.592.1857
Fax: 559.592-1859

RE: Docket No. AB-398 (Sub-No. 9X), *San Joaquin Valley Railroad Company—Discontinuance Exemption—in Kern County, CA (Between Levee and Taft)*
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Sincerely yours,

Louis E. Gitomer
Attorney for San Joaquin Valley Railroad Company

Enclosure





RailAmerica, Inc.

October 26, 2004

US Army Corps of Engineers
Sacramento District
1325 J Street
Sacramento, CA 95814

San Joaquin Valley Railroad
221 North F Street
PO Box 937
Exeter, CA 93221
Tel: 559.592.1857
Fax: 559.592-1859

RE: Docket No. AB-398 (Sub-No. 9X), *San Joaquin Valley Railroad Company—Discontinuance Exemption—in Kern County, CA (Between Levee and Taft)*
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Sincerely yours,

Louis E. Gitomer
Attorney for San Joaquin Valley Railroad Company

Enclosure





RailAmerica, Inc.

October 26, 2004

Board of Supervisors
Kern County
1115 Truxtun Avenue, 5th Floor
Bakersfield, CA 93301

San Joaquin Valley Railroad
221 North F Street
PO Box 937
Exeter, CA 93221
Tel: 559.592.1857
Fax: 559.592-1859

RE: Docket No. AB-398 (Sub-No. 9X), *San Joaquin Valley Railroad Company—Discontinuance Exemption—in Kern County, CA (Between Levee and Taft)*
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Sincerely yours,

Louis E. Gitomer
Attorney for San Joaquin Valley Railroad Company





RailAmerica, Inc.

October 26, 2004

California Coastal Commission
45 Fremont Street, Suite 2000
Sacramento, CA 94105-2219

San Joaquin Valley Railroad
221 North F Street
PO Box 937
Exeter, CA 93221
Tel: 559.592.1857
Fax: 559.592-1859

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Attorney for San Joaquin Valley Railroad Company

Enclosure





RailAmerica, Inc.

October 26, 2004

California State Clearinghouse
Chief Projects Analyst
Office of Planning and Research
P.O. Box 3044
Sacramento, CA 95812

San Joaquin Valley Railroad
221 North F Street
PO Box 937
Exeter, CA 93221
Tel: 559.592.1857
Fax: 559.592-1859

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Louis E. Gitomer
Attorney for San Joaquin Valley Railroad Company





RailAmerica, Inc.

October 26, 2004

California Environmental Protection Agency
P.O. Box 2815
Sacramento, CA 95812

San Joaquin Valley Railroad
221 North F Street
PO Box 937
Exeter, CA 93221
Tel: 559.592.1857
Fax: 559.592-1859

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Attorney for San Joaquin Valley Railroad Company

Enclosure

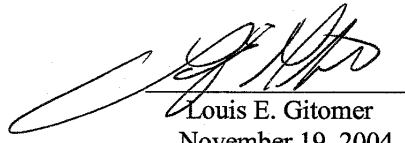


EXHIBIT E

**HISTORIC REPORT
CERTIFICATE OF SERVICE**

Pursuant to the requirements of 49 C.F.R. § 1105.8(c), the undersigned hereby certifies that a copy of the Historic Report in Docket No. AB-170 (Sub-No. 1X) and in Docket No. 398 (Sub-No. 9X) was mailed via first class mail on October 26 and November 19, 2004, to the following party:

California Office of Historic Preservation
Department of Parks and Recreation
P.O. Box 942896
Sacramento, CA 94296-0001



Louis E. Gitomer
November 19, 2004

HISTORIC REPORT

(49 C.F.R. 1105.8)

Docket No. AB-398 (Sub-No. 9X)

**SAN JOAQUIN VALLEY RAILROAD COMPANY—DISCONTINUANCE EXEMPTION—
IN KERN COUNTY, CA (BETWEEN LEVEE AND TAFT)**

Docket No. AB-170 (Sub-No. 1X)

**SUNSET RAILWAY COMPANY—ABANDONMENT EXEMPTION—IN KERN COUNTY,
CA (BETWEEN LEVEE AND TAFT)**

Dated: October 26, 2004

The Historic Report should contain the information required by 1105.7(e)(1) of the Environmental Report. The following is excerpted from the Environmental Report prepared for the proposed discontinuance of service:

(1) Proposed Action and Alternatives. Describe the proposed action, including commodities transported, the planned disposition (if any) of any rail line and other structures that may be involved, and any possible changes in current operations or maintenance practices. Also describe any reasonable alternatives to the proposed action. Include a readable, detailed map and drawings clearly delineating the project.

The Sunset Railway Company ("SRY") proposes to abandon and the San Joaquin Valley Railroad Company ("SJVR") proposes to discontinue service over the 18-mile rail line known as the Sunset Subdivision between Levee, milepost 18.3, and Taft, milepost 36.3, in Kern County, CA (the "Line"). Upon receipt of discontinuance of service authority, SJVR will terminate its common carrier obligation to operate over the Line and the owner of the track and materials, SRY, will salvage them. Upon receipt of abandonment authority, SRY's residual common carrier obligation will terminate and SRY will salvage its assets. SJVR leased the Line from SRY, a company then equally owned by Southern Pacific Transportation Company ("SP"), a predecessor of the Union Pacific Railroad Company ("UP") and The Atchison, Topeka and Santa

Fe Railway Company ("SFe"), a predecessor of the Burlington Northern and Santa Fe Railway Company ("BNSF"). UP will be responsible for the disposition of the underlying real estate.

SJVR became a rail carrier in 1992 upon consummating a lease from SP and its subsidiaries for the operation of seven rail lines and assuming trackage rights over a number of other rail lines owned exclusively by SP, and/or its subsidiaries, or jointly by SP and SFe covering a total of 354.70 miles of rail line in Fresno, Kern, and Kings Counties, CA. *San Joaquin Valley Railroad Co.--Lease and Operation Exemption--Southern Pacific Transportation Company and Visalia Electric Railroad Company*, ICC Finance Docket No. 31993 (ICC served Jan. 23, 1992) (*San Joaquin I*). Subsequently, SJVR purchased 206.77 miles of track and rail assets and leased the underlying right-of-way, for the seven rail lines that it had previously leased in *San Joaquin I*. *San Joaquin Valley Railroad Co.--Acquisition and Lease Exemption--Southern Pacific Transportation Company*, ICC Finance Docket No. 31993 (Sub-No. 1) (ICC served Oct. 4, 1993) (*San Joaquin II*). SJVR acquired the right to lease and operate the Line in 1997 from SRY. *San Joaquin Valley Railroad Company--Acquisition and Operation Exemption--Sunset Railway Company*, STB Finance Docket No. 33404 (STB served June 18, 1997, and corrected June 27, 1997).

The only alternative to abandonment and discontinuance of service would be to continue to operate the Line. SJVR has never operated the Line and on that basis believes that there is not a sufficient volume of traffic available on the Line to justify the costs of maintaining and operating the Line. Making a capital investment in the Line would not be a prudent use of carrier resources.

A map of the proposed abandonment and discontinuance of service is attached hereto as Exhibit 1.

HISTORIC REPORT

1. A U.S.G.S. topographic map (or alternate map drawn to scale and sufficiently detailed to show buildings and other structures in the vicinity of the proposed action) showing the location of the proposed action, and the locations and approximate dimensions of railroad structures that are 50 years old or older and are part of the proposed action;

U.S. Geological Survey Maps have been supplied to the California State Historic Preservation Office ("CASHPO").

2. A written description of the right of way (including approximate widths, to the extent known), and the topography and urban and/or rural characteristics of the surrounding area;

The Line, which generally has a 100 foot right-of-way width along its entire length, begins at an elevation of about 300 feet, south of the Buena Vista Lake Bed and runs southwest, uphill parallel to Hill Road. The Line then passes through the Buena Vista Lake Bed and then through San Emidio at an elevation of about 500 feet and across Copus Road. About 3,000 feet southwest of San Emidio the Line crosses the California Aqueduct. Continuing southwest into Pentland at an elevation of about 650 feet, the Line crosses two streets and turns in a northwesterly direction and crosses two more local streets. At this point, the Line is in the midst of an oil field. The Line then passes through Kerto, still at an elevation of about 650 feet, and crosses another local road. Northwest of Kerto, the Line climbs and crosses two roads and Bitterwater Creek and then crosses 10 more local roads before crossing Kern Road southeast of Taft. The Line enters Taft at an elevation of about 950 feet and crosses four local streets before leaving Taft and crossing one more local road west of Taft at milepost 36.3.

A list of the bridges is in Exhibit 3.

3. Good quality photographs (actual photographic prints, not photocopies) of railroad structures on the property that are 50 years old or older and of the immediately surrounding area;

See Exhibit 4.

4. The date(s) of construction of the structure(s), and the date(s) and extent of any major alterations, to the extent such information is known;

See Exhibit 3.

SRY and SJVR contacted CASHPO. *See* Exhibit 2. No response has been received. A copy of this Report has been mailed to CASHPO.

5. A brief narrative history of carrier operations in the area, and an explanation of what, if any, changes are contemplated as a result of the proposed action;

Prior to 1997, SRY owned and operated the Line. In 1997, SJVR leased the Line. SJVR has never delivered any shipments to customers on the Line.

6. A brief summary of documents in the carrier's possession, such as engineering drawings, that might be useful in documenting a structure that is found to be historic;

SRY, the owner of the real estate under the Line, possesses the valuation maps of the Line. SJVR is not aware of any other documentation in its possession.

7. An opinion (based on readily available information in the railroad's possession) as to whether the site and/or structures meet the criteria for listing on the National Register of Historic Places (36 C.F.R. 60.4), and whether there is a likelihood of archeological resources or any other previously unknown historic properties in the project area, and the basis for these opinions (including any consultations with the State Historic Preservation Office, local historical societies or universities);

SRY and SJVR believe that neither the structures on the Line nor the Line itself are unusual or noteworthy for inclusion on the National Register of Historic Places. It is also SRY's and SJVR's opinion that there are no archeological resources or other railroad related historic properties in the project area.

8. A description (based on readily available information in the railroad's possession) of any known prior subsurface ground disturbance or fill, environmental conditions (naturally

occurring or manmade) that might affect the archeological recovery of resources (such as swampy conditions or the presence of toxic waste), and the surrounding terrain.

SRY and SJVR believe that there are no existing records as to the nature of any known subsurface ground disturbance or fill, or environmental conditions that might affect the archeological recovery of any potential resources.

9. Within 30 days of receipt of the historic report, the State Historic Preservation Officer may request the following additional information regarding specific non railroad owned properties or groups of properties immediately adjacent to the railroad right-of-way: photographs of specified properties that can be readily seen from the railroad right-of-way (or other public rights-of-way adjacent to the property) and a written description of any previously discovered archeological sites, identifying the location and type of the site (*i.e.* prehistoric or native American).

SRY and SJVR do not foresee the likelihood that any additional information will need to be supplied in association with the proposed line abandonment and discontinuance of service other than that information previously submitted. But, if any additional information is requested, SRY and SJVR will promptly supply the necessary information.

EXHIBIT 1-MAP

SAN JOAQUIN VALLEY RAILROAD COMPANY-DISCONTINUANCE EXEMPTION -
IN KERN COUNTY, CA (BETWEEN LEVEE AND TAFT)

SUNSET RAILWAY COMPANY-ABANDONMENT EXEMPTION
IN KERN COUNTY, CA (BETWEEN LEVEE AND TAFT)

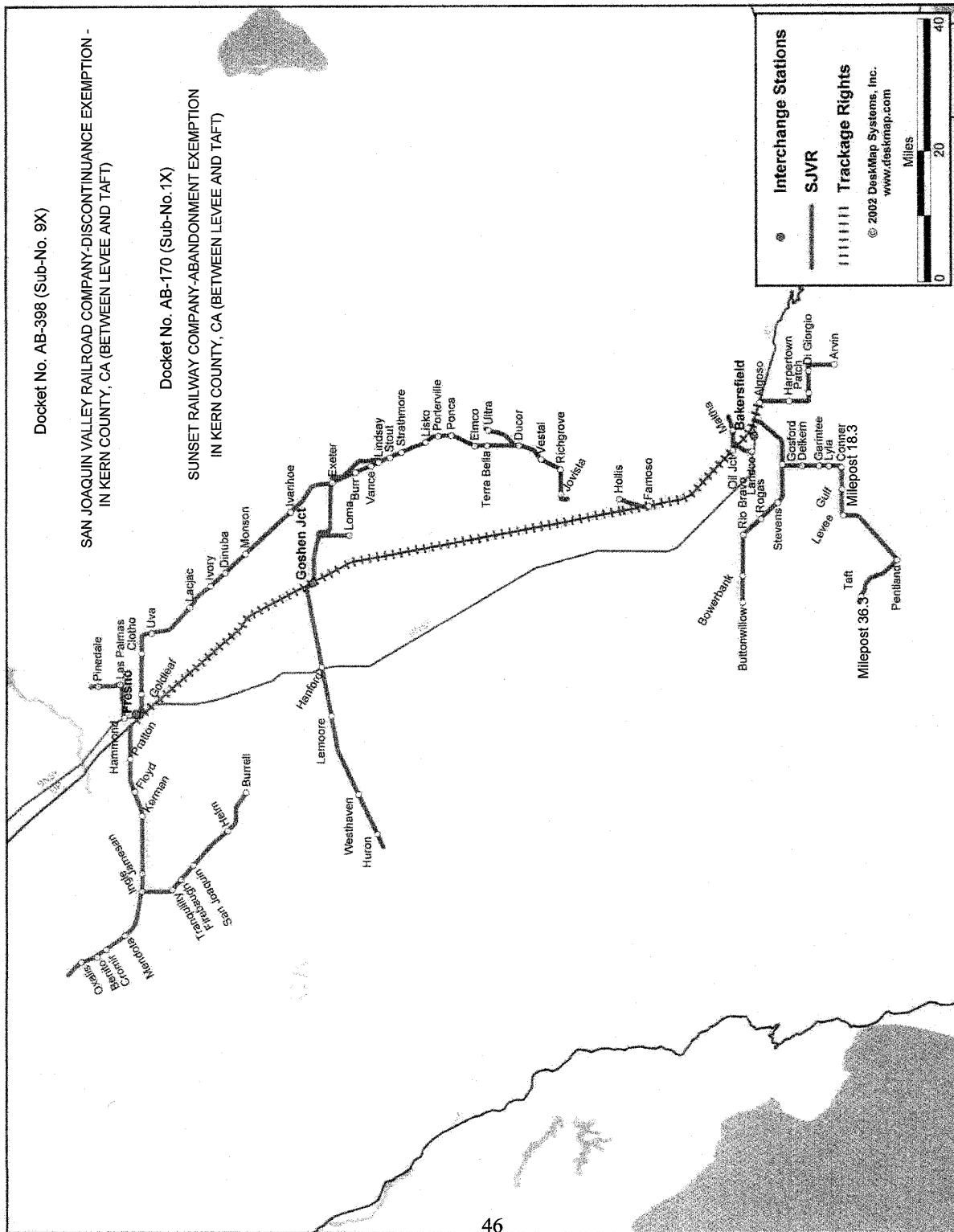


EXHIBIT 2-CONSULTATION LETTER



RailAmerica, Inc.

October 26, 2004

California Office of Historic Preservation
Department of Parks and Recreation
P.O. Box 942896
Sacramento, CA 94296-0001

San Joaquin Valley Railroad
221 North F Street
PO Box 937
Exeter, CA 93221
Tel: 559.592.1857
Fax: 559.592-1859

RE: Docket No. AB-398 (Sub-No. 9X), *San Joaquin Valley Railroad Company—Discontinuance Exemption—in Kern County, CA (Between Levee and Taft)*
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Dear Madam/Sir:

On or about November 19, 2004, we expect to be filing with the Surface Transportation Board ("STB") a notice of exemption seeking authority for San Joaquin Valley Railroad Company to discontinue service over and Sunset Railway Company to abandon an 18-mile rail line known as the Sunset Subdivision between Levee, milepost 18.3, and Taft, milepost 36.3, in Kern County, CA.

Attached is a Historic Report describing the proposed action and any expected historic effects, as well as a map of the affected area. We are providing this report so that you may review the information that will form the basis for the STB's independent historic analysis of this proceeding. If any of the information is misleading or incorrect, if you believe that pertinent information is missing, or if you have any questions about the STB's environmental review process, please contact the Section of Environmental Analysis (SEA), Surface Transportation Board, 1925 K Street, NW, Washington, DC 20423, telephone 202-565-1538 and refer to the above Docket No. AB-398 (Sub-No. 9X) and Docket No. AB-170 (Sub-No. 1X).

Because the applicable statutes and regulations impose stringent deadlines for processing this action, your written comments to SEA (with a copy to our representative) would be appreciated within 3 weeks. Your comments will be considered by the STB in evaluating the environmental impacts of the contemplated action. If there are any questions concerning this proposal, please contact our representative directly. Our representative in this matter is Louis E. Gitomer who may be contacted by telephone at 202-638-3307, email at lgitomer@dc.bjllp.com, or mail at Ball Janik LLP, 1455 F Street, N.W., Suite 225, Washington, DC 20005.

Sincerely yours,

Louis E. Gitomer
Attorney for San Joaquin Valley Railroad Company

Enclosure



EXHIBIT 3-BRIDGE INFORMATION

MILEPOST	BRIDGE TYPE	BRIDGE LENGTH (FEET)	DATE OF CONSTRUCTION
18.50	3-15' open deck timber pile trestle	45	1919
19.50	2-8' open deck timber frame trestle	16	1922
21.40	1-15' open deck timber frame trestle	15	1922
21.90	1-15' open deck timber frame trestle	15	1960
22.60	3-15' Ballast deck timber pile trestle	45	1901
23.10	7-15' open deck timber frame trestle	105	1960
23.70	4-14' ballast deck timber pile trestle	56	1940
25.40	3-15' open deck timber pile trestle	45	1901
26.10	1-15' open deck timber pile trestle	15	1940

EXHIBIT 4-BRIDGE PICTURES

